

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:  
City of Detroit, Michigan,  
Debtor.

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Chapter 9  
Case No. 13-53846  
Hon. Steven W. Rhodes

**Order Identifying Legal Issues, Establishing Supplemental  
Briefing Schedule and Setting Hearing Dates and Procedures**

After reviewing the parties' submissions in response to the Court's Order Regarding Identifying Legal Issues Relating to Confirmation (Dkt. #5021), and the parties' responses to the Court's Notice of Proposed Order (Dkt. #5172), the Court has identified the following issues that may be determinable as a matter of law:

1. Whether the collective bargaining injunction in § II.B.3.q.ii.G. of the Plan violates the Public Employment Relations Act, M.C.L. § 423.201 *et seq.*
2. Whether § II.B.3.u.i. of the Plan violates the Fourteenth Amendment in that it impairs the relief available to victims of 42 USC § 1983 violations.
3. Whether § II.B.3.u.i. of the Plan violates the Fifth or Fourteenth Amendments in that it impairs the relief available to parties whose property has been taken by condemnation or inverse condemnation.
4. Whether the absolute priority rule of 11 U.S.C. § 1129(b)(2)(A) is applicable to secured claims.
5. Whether §§ II.B.3.a.ii. and q.ii. of the Plan relating to classification satisfy 11 U.S.C. § 1123(a)(4).
6. Whether the UTGO settlement violates the Unlimited Tax Election Act, M.C.L. §§ 141.161-168
7. Whether the Bankruptcy Code prohibits the interest rate and call protection modifications of bonds secured by special revenues set forth in § II.B.3.a.ii. of the Plan.

8. Whether § II.B.3.u.i and § III.D.5 of the Plan, relating to the treatment of the claims against the 36th District Court, violate the Bankruptcy Code.

9. Whether the failure of the Plan to treat LTGO claims as senior unsecured claims violates the Bankruptcy Code, Michigan law, or a contract right that is enforceable in bankruptcy.

10. Whether Macomb, Oakland and Wayne Counties have standing to object to the Plan.

11. Whether any claim of BNY Mellon as Custodian which is not a direct claim against the Debtor can be treated as a “Claim” under the Plan and whether the Bankruptcy Code authorizes the Debtor to modify, release, discharge or enjoin claims of BNY Mellon as Custodian against third parties.

12. Whether the scope of the Plan’s discharge and injunction provisions should be limited as requested in the objection to confirmation filed by the United States.

13. Whether the Plan is a Specified Plan (as defined in the Settlement Agreement) that the Swap Counterparties would be obligated to vote in favor of and refrain from objecting to.

14. To the extent that the Plan is not a Specified Plan, whether the releases set forth in § III.D.7. of the Plan, which benefit certain non-debtor parties, are consensual as they relate to the Swap Counterparties and, if nonconsensual, whether such releases are legally permissible.

The following procedures will be utilized to address these legal issues:

a. Simultaneous supplemental briefs are permitted by June 30, 2014. In light of the objecting creditors’ objections and the City’s omnibus response, the Court discourages further briefing unless absolutely necessary.

b. Hearings on the legal issues will be held on July 16 and 17, 2014 in Courtroom 716 Theodore Levin U.S. Courthouse, 231 W. Lafayette Blvd., Detroit, Michigan.

c. Fifteen minutes of argument time will be allocated per side per issue, except for issues 7 & 9, which will be allocated thirty minutes per side per issue.

d. The start time of the argument for each issue will be:

July 16, 2014

9:00 Issue 1

9:30 Issue 2

10:00 Issue 3

10:30 Issue 4

11:15 Issue 5

11:45 Issue 6

12:15 Issue 8

2:00 Issue 10

2:30 Issue 11

3:00 Issue 12

3:30 Issues 13 & 14

July 17, 2014

9:00 Issue 7

10:00 Issue 9

**Signed on June 05, 2014**

/s/ Steven Rhodes

**Steven Rhodes**

**United States Bankruptcy Judge**